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DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 11-37)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 11-37 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 31, 2011.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH STE 203
ARLINGTON VA 22202-5408

OCT 28 2011

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 11-37, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Finland for defense articles and services estimated to cost \$255 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 11-37

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Finland
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 134 million
Other	<u>\$ 121 million</u>
TOTAL	\$ 255 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 70 AGM-158 Joint Air-to-Surface Standoff Missiles (JASSM), 2 test vehicles, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Air Force (YAI)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 28 October 2011

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Finland – AGM-158 Joint Air-to-Surface Standoff Missiles (JASSM)

The Government of Finland has requested a sale of 70 AGM-158 Joint Air-to-Surface Standoff Missiles (JASSM), 2 test vehicles, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$255 million.

The proposed sale will contribute to the foreign policy and national security of the United States by improving the security of a partner nation that remains an important force for political stability and economic progress in Europe. Finland is a member of the North Atlantic Treaty Organization's (NATO) Partnership for Peace as well as a member in the Euro-Atlantic Partnership Council. It additionally became a European Union member in 1995. Finnish troops have participated in UN peacekeeping activities since 1956, and the Finns continue to be one of the largest per capita contributors of peacekeepers in the world. Finland is an active participant in the Organization for Security and Cooperation in Europe (OSCE) and in early 1995 assumed the co-chairmanship of the OSCE's Minsk Group on the Nagorno-Karabakh conflict. Finland chaired the OSCE in 2008 and was part of the Chairmanship Troika in 2009.

Finland intends to integrate the JASSM on its F/A-18C/D aircraft. Finland's acquisition of JASSM is intended to modernize its current aircraft munitions suite and counter potential threats. This will contribute to the Finnish military's goal of updating its capability. Finland will have no difficulty absorbing these missiles into its inventory.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Lockheed Martin Industries in Tampa, Florida. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Finland.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 11-37

Notice of Proposed Issuance of Letter of Offer
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Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The AGM-158 Joint Air-to-Surface Standoff Missile is a 200+ NM range low-observable, highly survivable subsonic cruise missile designed to penetrate air defense systems en route to target. It is designed to kill hard, medium-hardened, soft and area type targets. The highest level of classified information required for training, operation and maintenance is Secret. Classification of the technical data and information on the AGM-158's performance, capabilities, systems, sub-systems, operations and maintenance will range from Unclassified to Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or could be used in the development of a system with similar or advanced capabilities.

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